

233 South Wacker Drive Suite 800 Chicago, IL 60606

> 312-454-0400 (voice) 312-454-0411 (fax)

www.cmap.illinois.gov

MEMORANDUM

To: CMAP Board, Working Committees, and CAC

From: Ylda Capriccioso Date: August 26, 2010

Re: Final Legislative Report

As the November General Election and Fall Veto Session approach, Governor Quinn is busy signing, vetoing or amending legislation passed by the General Assembly in its spring, 2010, session. CMAP reviewed all introduced legislation, initially tracking 134 bills of interest to us or our planning partners, reducing that to 75 as the session neared conclusion, and further reducing it to those in this memo as it appeared various bills would not advance.

Following are some of the bills CMAP tracked, their current status, a brief synopsis of each bill and, where necessary, an explanation of their impact or potential impact on the region.

Public Acts

State Appropriations HB 859 – This is the spending bill that sets appropriation amounts and revenue sources for various state agencies, including IDOT. CMAP's funding was included in the IDOT portion of the bill. *Regional Impact: Budget cuts will impact county and local governments' budgets.* Public Act 96-0956.

Jobs Creation Tax Credit SB 1578 – Creates the Small Business Job Creation Tax Credit Act, which allows small businesses of no more than 50-full time employees to receive a \$2,500 tax credit for each full-time employee hired during the state's Fiscal Year 2011. *Regional Impact: Ninety-five percent of Illinois businesses have fewer than 50 employees and according to the U.S. Census Bureau County Business Patterns* 2008 data, northeastern Illinois is home to 207,549 such establishments. *Incentives for small businesses in our region to create new jobs will continue to strengthen our regional economy*. Public Act 96-0888.

RTA Borrowing SB 941 – Munoz (D-Chicago); House Sponsor: Nekritz (D-Northbrook) – This bill allows the RTA to sell up to \$300 million in working cash bonds. Regional Impact: This bill will give RTA the muchneeded flexibility in paying its debts while waiting for the state to pay what it owes. In the short-term, it staves off fare hikes, layoffs, and other cost cutting measures. Public Act 96-0906.

Illiana Expressway SB 3659 – Hutchison (D-Chicago Heights) *House Sponsor: Currie (D-Chicago)* – Allows the Illinois Department of Transportation to actively use public-private partnership (P3) financing mechanisms to design, fund, build and construct the Illiana Expressway. Several other public/private partnership bills with broader impact were also proposed and gained some traction, but in the end the General Assembly passed only this bill to explore the Illiana Expressway. *Regional Impact: If successful, the*

P3 financing mechanisms to design, fund, build and construct could serve as the model for future P3 transportation projects. However, because the legislation did not provide IDOT with broad P3 authority, other capital projects, such as those in GO TO 2040, are not eligible to actively explore innovative financing options. Public Act 96-0913.

Water Revolving Loans HB 5226 – Mell (D-Chicago); Senate Sponsor: Steans (D-Chicago) – This bill would authorize funds in the Loan Support Program to be used to finance water pollution control projects. It would allow the Public Water Supply Loan Program to be used to make direct loans and provide subsidies to eligible local governments and privately-owned community water supplies. Certain projects would fulfill federal State Revolving Fund grant requirements for a green project reserve. Regional Impact: Aging infrastructure is a crisis for both publicly and privately-owned water purveyors and the use of revolving loan programs help aid communities in need of repair or improvements. Additionally, cleaning and transmitting the water to homes and building can be energy intensive. Communities that may want to improve energy efficiency of water or wastewater treatment plants can access revolving funds. Public Act 96-0917.

Homeowner Emergency Assistance <u>HB 2360</u> – Turner (D-Chicago); *Senate Sponsor: Hendon (D-Chicago)* – This bill authorizes the Illinois Housing Development Authority to implement and administer the grant program to assist homeowners facing foreclosure. Eligible applicants receive counseling and may receive assistance up to \$6,000, or the sum of three monthly mortgage payments, whichever is less. *Regional Impact: According to the Woodstock Institute, the first half of 2010 in the six-county Chicago region saw considerable growth in the number of new foreclosure filings when compared to the same period last year. Public Act 96-0921.*

Road Districts SB 3430 – Althoff (R-Crystal Lake); *House Sponsor: Tryon (R-Crystal Lake)* – This clarifies the authority of a township regarding roads. It states township road commissioners have the same power as road commissioners in non-township areas. *Regional Impact: Strengthens townships' authority in roadway activity.* Public Act 96-0996.

Bicyclist Safety SB 2951 – Silverstein (D-Chicago); *House Sponsor: Sente* (*D-Chicago*) – This bill makes it a Class A misdemeanor to intentionally menace bicyclists, pedestrians or equestrians on roadways, and a Class 3 felony if that crowding or threatening results in great bodily harm or disfigurement of the bicyclist, pedestrian or equestrian. *Regional Impact: Bicycling is serving as a reliable and preferred mode of transportation for many residents in northeastern Illinois and this bill improves.* Public Act 96-1007.

Motor Fuel Tax SB 3462 – Link (D-Waukegan); *House Sponsor: Winters (D-Shirland)* – This bill amends the MFT law to allow road districts to collect a portion of MFT taxes. *Regional Impact: Upholds township authority in roadway activity and requires that road townships receive* \$12,000 *per mile of road, funneling off a portion of the MFT directly to road districts.*. Public Act 96-1024.

Illinois Fertilizer Act HB 6099 Currently, local governments regulate the use of phosphorus on lawns. The law requires the Illinois Department of Agriculture determine rules for implementation of phosphorus standards on turf grass, unless the municipality has an ordinance in place. Regional Impact: Restricts local governments from determining ordinances that may be more restrictive than the state allows, potentially limiting local control over land. Public Act 96-1005

Loc Govt/School – Energy Conservation SB 2810 Gives the Capital Development Board more authority over local government contracts for energy savings. Also, it extends the length of allowable energy savings from 10 to 20 years and permits energy savings under these contracts to come from carbon credits, energy use reduction, and offsetting sources of renewable energy funds. *Regional Impact: The extension of allowable energy savings up to 20 years provides economic benefits*. Public Act 96-1197.

Energy Efficiency HB 4758 – Tryon (R-Crystal Lake); Senate Sponsor: Althoff (R-Crystal Lake) – This bill would authorize a county to enter into voluntary agreements with property owners in unincorporated areas in order to provide for contractual assessments to finance the installation of distributed generation, renewable energy sources or energy efficiency improvements. The new laws extend property tax relief for wind farms and give local governments the authority to finance green projects in unincorporated areas of the state. Illinois has one of the most aggressive Renewable Portfolio Standard policies in the country. It requires Illinois utilities to supply 25 percent of their power from renewable energy resources by 2025, at least 75 percent of which must be generated by wind power. Regional Impact: They can represent new sources of economic development all over Illinois, and communities across the state are already benefitting from wind energy. According to the Illinois Wind Energy Association, there are three wind farms in northeastern Illinois. Rural communities often see the greatest benefit from wind development in the form of landowner payments, property taxes and locally-sourced components and labor. Public Act 96-1032.

Municipal Borrowing <u>HB 5540</u> – Cavaletto (R-Salem); Senate Sponsor: Jones (R-Mt. Vernon) – Allows Regional Planning and Development Commissions to lend money to municipalities at reduced interest rates. Regional Impact: No direct impact, but can set an example for other regional planning authorities to be granted authority to borrow money for lending to local communities for planning, technical assistance, and business development financing. Public Act 96-1047.

Sales Tax SB 3134 – Harmon (D-Oak Park); House Sponsor: Yarbrough (D-Broadview) – This bill allows non-home rule municipalities to use non-home rule sales tax receipts for municipal operations in addition to expenditures for public infrastructure, but only if the referendum that authorized the tax states it may be used for municipal operations. Regional Impact: Many non-home rule municipalities' budgets have been severely reduced. The result is many communities cut back on operating costs in order to fund basic services, program needs, and infrastructure improvements. There are about 149 non-home rule municipalities in this region, which represents about 18 percent of the region's total population. If approved by the voters those municipalities will have greater flexibility to use funds from non-municipal sales tax proceeds for municipal operations. Public Act 96-1057.

Road Districts SB 3592 – Bond (D-Grayslake); *House Sponsor: Froelich (D-Schaumburg)* – This bill requires IDOT to inventory all township road districts in counties with one million or more inhabitants, and contiguous counties, including miles of roads, costs for maintenance, taxes, number of employees, etc., and to deliver a report on its findings to the governor and General Assembly no later than December 31, 2010. *Regional Impact: Explores the role of township road districts to identify areas for efficiency.* Public Act 96-1060.

Farmers' Markets HB 4756 – Ford (D-Chicago); Senate Sponsor: Hutchison (D-Olympia Fields) – This bill would create a special fund in the state treasury to implement the Farmers' Market Technology Improvement Program that would help farmers purchase or rent wireless POS terminals to process SNAP benefits from the Illinois LINK program. Regional Impact: This will help facilitate farmers markets and alternative models of distribution such as roadside farm stands, mobile farmers markets, farm-fresh food kiosks, home delivery, and urban farm stands across Illinois to accept food stamp benefits disbursed under the Illinois LINK program. Public Act 96-1095.

Pedestrian Stop HB 43 – Arroyo (D-Chicago); *Senate Sponsor: Steans (D-Chicago)* – The bill would require the driver of a vehicle to stop and yield the right-of-way to a pedestrian at a crosswalk and in school zones. *Regional Impact: The latest CMAP study shows that nearly 25 percent of fatal accidents in Chicago involve pedestrians. There are nearly 5,000 of these accidents each year throughout the region, resulting in approximately 100 pedestrian deaths per year. The law previously required drivers to "slow down or stop if need be" to yield right-of-way to pedestrians in crosswalks. Clearly, this resulted in driver confusion as to what was meant by "slowing*

down." This law elevates the importance of public safety by linking pedestrian and vehicle traffic. Public Act 96-1165.

Tax Caps SB 3139 – Harmon (D-Oak Park); *House Sponsor: Nekritz (D-DesPlaines)* – This bill allows taxing districts, specifically park districts, to increase debt service extension base by either five percent or the Consumer Price Index (CPI) for the preceding calendar year. *Regional Impact: Currently, taxing districts can only increase debt limits by referendum. Gives taxing districts more authority to increase debt limits to cover needs and services without public referendum.* Public Act 96-1202.

Annexation HB 4968 – Farnham (D-Elgin); *Senate Sponsor: Holmes (D-Plainfield)* – This bill would allow a municipality to annex territory which is not contiguous to the municipality if the territory is separated by an area dedicated to conservation and owned by a not-for-profit organized under Section 501(c)(3). *Regional Impact: Allows municipalities to capture parcels of land that are not adjacent to municipal boundaries further expanding municipal boundaries into unincorporated parts of a county.* Public Act 96-1233.

Housing Tax Credit HB 6038 – Turner (D-Chicago); Senate Sponsor: Clayborne, Jr, (D-East St. Louis) – The Illinois' Affordable Housing Tax Credit expires 2011; this bill would extend it to 2016. This credit supplies crucial support for employer assisted housing programs across the state. The state allocates \$2M per year for EAH, leveraging \$8M in private investment. Regional Impact: Renews a tax incentive to continue to entice private business to support employer-assisted housing (EAH), which can be used as a tool for recruiting and retaining their employees. Public Act 96-1276.

H+T Affordability Index SB 374 – Raoul (D-Chicago); House Sponsor: Tryon (R-Crystal Lake) – This bill creates the Housing+Transportation Affordability Index, and requires various state agencies to use it to measure housing and transportation affordability and utilize it as a development tool when considering funding allocation, distribution of incentives, and facility siting in Metropolitan Planning Organization areas. Regional Impact: The use of this tool by the state will help to measure the true cost of housing, recognizing that housing prices may be less in low density areas, the transportation costs may be higher due to longer commutes or lack of access to transit. Public Act 96-1255.

County Water Commissions SB 580 – Cronin (R-Elmhurst); House Sponsor: Ramey (R-Carol Stream) – Passed in response to financial irregularities at the DuPage Water Commission, this bill dissolves all water commissions as of January 1, 2011, and sets forth procedures for appointing new boards and their various powers and duties. It also specifies powers and duties of commission general managers, finance directors and treasurers, including more stringent financial oversight and reporting rules. It also ends water commission taxing authority in 2016, unless voters authorize it via referendum. Regional Impact: Largest impact could be directly to water customers after 2016. If the tax is eliminated, residents water bills could increase in order to cover the costs for line maintenance and construction, and administration. Public Act 96-1389.

TIF Notice SB 3152 – Link (D-Waukegan); House Sponsor: Froelich (D-Schaumburg) – This is a sunshine bill that requires municipalities and counties to disclose in yearly status reports the amount of revenues generated in and expenditures made by the governing body in economic development/TIF areas. Regional Impact: Gives the public access to TIF financial information in an easily accessible or electronic format and further encourages transparency and accountability in government. Public Act 96-1335.

Truck Lengths HB 5819 – Beiser (D-Alton); *Senate Sponsor: Sandoval (D-Chicago)* – Trucks exceeding 65 feet long are allowed to travel on county, township or municipal roads from state highways for a distance of no more than 5 miles for delivery purposes only; and on side streets for no more than one mile. *Regional Impact: Would allow tandem trailers and longer vehicles such as moving vans greater access to smaller roads and streets.*

Water Systems SB 3070 – Althoff (R-Crystal Lake); *House Sponsor: Tryon (R-Crystal Lake)* – This bill requires owners or operators of a community water system to submit a response plan to the Illinois EPA if carcinogenic compounds are detected in the water system. *Regional Impact: Provides some safeguard to communities who think their water, particularly groundwater that may be polluted even after purification process. Municipal and private water purveyors may be required to incur additional infrastructure expenses to address the pollutant in the drinking water.* Public Act 96-1366.

Business District Development SB 2523 – Clayborne (D-Belleville); House Sponsor: Holbrook (D-Belleville) – This bill would allow municipalities to issue bonds without referendum for business district development and sets out procedures for public hearings. Regional Impact: Provides more tools for economically depressed or blighted areas to benefit from business development. Municipalities will have the potential to raise revenue if new business development districts are created. Business development district plans do not have to conform to municipal comprehensive plans. Public Act 96-1394.

Exempt Waste Facilities SB 2490 – Althoff (R-Crystal Lake); House Sponsor: Tryon (R-Crystal Lake) - The bill exempts from regulation of a pollution control facility portions of the site that accept general construction or demo debris and is located in a county with a population over three million or a county that is adjacent to that county. *Regional Impact: Accepting certain types of solid waste could potentially impact groundwater sources and other environment and natural resources.* Public Act 96-1068

Green Manufacturing HB 6030 – May (D-Highland Park); Senate Sponsor: Steans (D-Chicago) – Authorizes the Department of Commerce and Economic Opportunity to offer grants up to \$250,000 for developing, expanding, or retooling a manufacturing facility to produce renewable energy or energy efficiency products or components. Regional Impact: Access to grants to provide long-term saving in operational costs can retain existing manufacturing and recruit new operations in the region. Public Act 96-1413.

High Speed Rail SR 806 – Sandoval (D-Chicago) – Creates the Illinois and Midwest High-Speed Rail Commission to recommend the best structure for a public-private partnership to design, build, operate, maintain, and finance a high-speed rail system. Although several bills were introduced pertaining to high-speed rail, this is the only legislation that passed. Resolution Adopted 059-000-000.

Telecom Deregulation SB 103 Bond (R-Grayslake); House Sponsor: McCarthy (D-Orland Park) - Modernizes telecommunications law to address widespread use of cell phones and broadband internet by allowing telecommunications companies to opt-in to a new form of regulation that will promote more competition and encourage more investment in modern broadband and wireless technologies. *Regional Impact: Although broadband and cell phone usage is relatively common in the region this law could considerably increase greater private sector broadband investment throughout the state.* Public Act 96-0927.

Open Meetings HB 5483 – Renée Kosel (R-Mokena); *Senate Sponsor: Garrett (D-Highwood)* – This bill amends the Open Meetings Act to require public bodies to allow public comments at all meetings and to set time limits for approving meeting minutes. Requires minutes to be approved and made available after 30 days or at the public body's second subsequent regular meeting. Previously minutes, once approved, were made available within seven days; the new law requires that it be made available in seven days. *Regional Impact: Increases accountability and transparency in government*. Public Act *96-1473*.

Bills Vetoed by Governor

FOIA HB 5154 – Chapa LaVia (D-Aurora); *Senate Sponsor: Lightford (D-Westchester)* – This bill would exempt the disclosure of performance evaluations from the Freedom of Information Act in the state of Illinois. The amendatory veto recommended that the performance evaluations of only State and local peace officers (instead of all personnel) be prohibited from disclosure under the Freedom of Information

Act Regional Impact: Anyone employed by the government except for state or local peace officers are no longer exempted from the disclosure of performance evaluations under FOIA. Amendatory Veto.

Other Bills or Issues

Many bills did not pass during the 2010 spring session. Many bills were stalled because consensus could not be reached, lack of funding, or other political issues. Listed below are the issue topics with the associated bills and status. This list below is not exhaustive, but shows some of the major bills CMAP tracked.

Transportation Finance

Means Test for Seniors Ride Free HB 4654 – Bassi (R-Palatine); Senate Sponsor Rodogno (R-Lemont) – that transportation services shall be provided without charge to senior citizens aged 65 and older who meet specified requirements. Rule 3-9(a) / Re-referred to Assignments 04/23/2010.

RTA Tax Opt-Out <u>HB 2516</u> – Franks (D-Woodstock); *Senate Sponsor: Althoff (R-Crystal Lake)* – The bill provides counties an option to opt out of any tax increase imposed by the RTA tax and that the county would no longer receive distributions or any other benefits from the increase. Submission of the opt-out is to be submitted to the RTA in the form of a resolution. Passed House, sent to Senate Assignments on 05/07/2010.

Public Private Partnerships HB 4623 – Jakobsson (D-Champaign); *Senate Sponsor Steans* (*D-Chicago*) – Creates the Public-Private Partnerships for Transportation Act for the Illinois Department of Transportation. Re-referred to House Rules on 06/27/2010.

Public-Private Partnerships SB 3482 – Steans (D-Chicago) – This bill would promote public-private partnerships for transportation by authorizing IDOT and ISTHA to enter into agreements related to the development, operation and financing of transportation facilities & to encourage the practice of congestion pricing in connection with toll highways. Re-referred to Senate Assignments on 6/27/2010.

Economic Development

TIF Valuations SB 3151 – Link (D-Waukegan) – This bill would amend TIF statutes by requiring assessed valuations in each area to increase by an amount equal to the consumer price index. Re-referred to Senate Assignments on 06/27/2010.

Foreign Trade Zones HB 4959 Walker (X-XXX); Senate Sponsor: – Authorizes the Port Authority to apply to the US authorities to establish, operate, maintain, and lease foreign trade zones and sub-zones within a specific area that is located within Cook and DuPage counties. Re-referred to Assignments 04/23/2010.

Innovation Zones SB 3638 Link (R-Waukegan); Senate Sponsor: Winters (R-Rockford) – These "technology neighborhoods" are designed to spur collaborative efforts and encourage innovation. This bill was amended and passed as tax-related bill on homestead exemptions and taxpayer action boards. Public Act 96-1418.

Energy

Green SSAs SB 2505 – Frerichs (D-Champaign); *House Sponsor: Lang (D-Skokie)* – This bill would allow municipalities to establish and issue bonds for a green energy special service area to fund energy efficiency improvements or renewable energy improvements. Passed Senate, sent to House Rules on 05/28/2010.

Property Assessed Clean Energy (PACE) SB 2505 Frerichs (D-Champaign); *House Sponsor: Lang (D-Skokie)* – Allows municipalities and counties to establish "green energy special services areas" which shall include only property for which each owner of record has executed a contract or agreement with a municipality or county consenting to be in the "green energy special service area" and now arrange for energy efficiency improvements and may obtain financing for the improvements. Rule 19(a) / Re-referred to Rules Committee 05/27/2010.

Water

Rainwater Harvesting SB 2549 – Garrett (D-Lake Forrest); *House Sponsor McCarthy (D-Orland Park)* Would allow rainwater harvesting practices to be used for indoor non-potable uses, like flushing toilets and require IDNR to develop rules. Rule 19(a) / Re-referred to Rules Committee 4/30/2010.

Water Authority Incorporation HB 4757 Tryon (R-Crystal Lake); *Senate Sponsor: Althoff (R-Crystal Lake)*– Exempts areas located within a county with an adopted groundwater protection ordinance from being incorporated as a water authority or be annexed to an existing water authority. Rule 19(a) / Re-referred to Rules Committee 03/15/2010.

Land Use Housing

Prevent Foreclosure / Preserve Neighborhood No Bill # This issue was a priority for many housing advocates. The key elements to the legislative initiative were to 1.) Enhance municipal authority to address the foreclosure crisis; and 2.) Fund efforts to keep homeowners in their homes.

Farmland Preservation Act of 2010 HB 5215 Tryon (D-Crystal Lake) – No text available an effort of the Illinois Farm Bureau. Referred to Rules Committee 02/03/2010.

Bills for Veto Session

These bills are newly filed in the month of August.

Enterprise Zones HB 6900 – Flider (D-Decatur) Amends the Illinois Enterprise Zone Act. Provides that an Enterprise Zone may be extended for an additional 20 years upon application by the corporate authorities of the county or municipality that designated the Enterprise Zone. Amends the Retailers' Occupation Tax Act. Provides that exemptions granted under the Act for tangible personal property used or consumed in an Enterprise Zone may be in effect for not more than 50 (instead of 20) years. Amends the Public Utilities Act to make conforming changes in provisions concerning tax exemptions for businesses located in Enterprise Zones. Filed 08/24/2010.

Illiana Expressway HB 6895 Arroyo (D-Chicago) Amends the Public Private Agreements for the Illiana Expressway Act. In provisions authorizing public private agreements in connection with the expressway, requires that the Department of Transportation's rules promulgated under the Act establish firm goals, standards, processes, appeals procedures, reporting requirements, and penalties by which the Department ensures that the contractor or contractors promote and permit the participation of businesses that are subject to the provisions of the Business Enterprise for Minorities. Filed 08/16/2010.